

AMENDED IN ASSEMBLY JUNE 16, 2011

AMENDED IN SENATE MAY 11, 2011

SENATE BILL

No. 489

Introduced by Senator Wolk

February 17, 2011

An act to amend Section 2827 of, and to repeal Section 2827.9 of, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 489, as amended, Wolk. Electricity: net energy metering.

Existing law, relative to private energy producers, requires every electric utility, as defined, to make available to an eligible customer-generator, as defined, a standard contract or tariff for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer-generators exceeds 5% of the electric utility's aggregate customer peak demand. The existing definition of an eligible customer-generator requires that the generating facility use a solar or wind turbine, or a hybrid system of both.

This bill would revise the definition of an eligible customer-generator to instead require that the generating facility be ~~an eligible renewable energy resource, as defined in the California Renewables Portfolio Standard Program. The bill would make other conforming and technical, nonsubstantive revisions~~ *a renewable electrical generation facility, as defined, for purposes of the Renewable Energy Resources Program administered by the State Energy Resources Conservation and Development Commission.*

Existing law established a pilot program to provide energy net metering for eligible biogas digester customer-generators.

This bill would repeal that pilot program.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because an order of the commission would be required to implement certain of the bill's requirements and a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2827 of the Public Utilities Code is
- 2 amended to read:
- 3 2827. (a) The Legislature finds and declares that a program
- 4 to provide net energy metering combined with net surplus
- 5 compensation, co-energy metering, and wind energy co-metering
- 6 for eligible customer-generators is one way to encourage substantial
- 7 private investment in renewable energy resources, stimulate in-state
- 8 economic growth, reduce demand for electricity during peak
- 9 consumption periods, help stabilize California's energy supply
- 10 infrastructure, enhance the continued diversification of California's
- 11 energy resource mix, reduce interconnection and administrative
- 12 costs for electricity suppliers, and encourage conservation and
- 13 efficiency.
- 14 (b) As used in this section, the following terms have the
- 15 following meanings:
- 16 (1) "Co-energy metering" means a program that is the same in
- 17 all other respects as a net energy metering program, except that
- 18 the local publicly owned electric utility has elected to apply a
- 19 generation-to-generation energy and time-of-use credit formula
- 20 as provided in subdivision (i).

1 (2) “Electrical cooperative” means an electrical cooperative as
2 defined in Section 2776.

3 (3) “Electric utility” means an electrical corporation, a local
4 publicly owned electric utility, or an electrical cooperative, or any
5 other entity, except an electric service provider, that offers electrical
6 service. This section shall not apply to a local publicly owned
7 electric utility that serves more than 750,000 customers and that
8 also conveys water to its customers.

9 (4) “Eligible customer-generator” means a residential customer,
10 small commercial customer as defined in subdivision (h) of Section
11 331, or commercial, industrial, or agricultural customer of an
12 electric utility, who uses ~~an eligible renewable energy resource a~~
13 *renewable electrical generation facility, or a combination of those*
14 *facilities*, with a capacity of not more than one megawatt, that is
15 located on the customer’s owned, leased, or rented premises, and
16 is interconnected and operates in parallel with the electric grid,
17 and is intended primarily to offset part or all of the customer’s
18 own electrical requirements.

19 ~~(5) “Eligible renewable energy resource” has the same meaning~~
20 ~~as defined in Article 16 (commencing with Section 399.11) of~~
21 ~~Chapter 2.3 of Part 1.~~

22 (5) *“Renewable electrical generation facility” has the same*
23 *meaning as defined in Section 25741 of the Public Resources Code.*

24 (6) “Net energy metering” means measuring the difference
25 between the electricity supplied through the electric grid and the
26 electricity generated by an eligible customer-generator and fed
27 back to the electric grid over a 12-month period as described in
28 subdivisions (c) and (h).

29 (7) “Net surplus customer-generator” means an eligible
30 customer-generator that generates more electricity during a
31 12-month period than is supplied by the electric utility to the
32 eligible customer-generator during the same 12-month period.

33 (8) “Net surplus electricity” means all electricity generated by
34 an eligible customer-generator measured in kilowatthours over a
35 12-month period that exceeds the amount of electricity consumed
36 by that eligible customer-generator.

37 (9) “Net surplus electricity compensation” means a per
38 kilowatthour rate offered by the electric utility to the net surplus
39 customer-generator for net surplus electricity that is set by the
40 ratemaking authority pursuant to subdivision (h).

(10) “Ratemaking authority” means, for an electrical corporation, the commission, for an electrical cooperative, its ratesetting body selected by its shareholders or members, and for a local publicly owned electric utility, the local elected body responsible for setting the rates of the local publicly owned utility.

(11) “Wind energy co-metering” means any wind energy project greater than 50 kilowatts, but not exceeding one megawatt, where the difference between the electricity supplied through the electric grid and the electricity generated by an eligible customer-generator and fed back to the electric grid over a 12-month period is as described in subdivision (h). Wind energy co-metering shall be accomplished pursuant to Section 2827.8.

(c) (1) Every electric utility shall develop a standard contract or tariff providing for net energy metering, and shall make this standard contract or tariff available to eligible customer-generators, upon request, on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer-generators exceeds 5 percent of the electric utility’s aggregate customer peak demand. Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the eligible customer-generator, at the expense of the electric utility, and the additional metering shall be used only to provide the information necessary to accurately bill or credit the eligible customer-generator pursuant to subdivision (h), or to collect generating system performance information for research purposes relative to ~~eligible renewable energy resources~~ *a renewable electrical generation facility*. If the existing electrical meter of an eligible customer-generator is not capable of measuring the flow of electricity in two directions, the eligible customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single meter. An eligible customer-generator that is receiving service other than through the standard contract or tariff may elect to receive service through the standard contract or tariff until the electric utility reaches the generation limit set forth in this paragraph. Once the generation limit is reached, only

1 eligible customer-generators that had previously elected to receive
2 service pursuant to the standard contract or tariff have a right to
3 continue to receive service pursuant to the standard contract or
4 tariff. Eligibility for net energy metering does not limit an eligible
5 customer-generator's eligibility for any other rebate, incentive, or
6 credit provided by the electric utility, or pursuant to any
7 governmental program, including rebates and incentives provided
8 pursuant to the California Solar Initiative.

9 (2) An electrical corporation shall include a provision in the net
10 energy metering contract or tariff requiring that any customer with
11 an existing electrical generating facility and meter who enters into
12 a new net energy metering contract shall provide an inspection
13 report to the electrical corporation, unless the electrical generating
14 facility and meter have been installed or inspected within the
15 previous three years. The inspection report shall be prepared by a
16 California licensed contractor who is not the owner or operator of
17 the facility and meter. A California licensed electrician shall
18 perform the inspection of the electrical portion of the facility and
19 meter.

20 (3) (A) On an annual basis, beginning in 2003, every electric
21 utility shall make available to the ratemaking authority information
22 on the total rated generating capacity used by eligible
23 customer-generators that are customers of that provider in the
24 provider's service area and the net surplus electricity purchased
25 by the electric utility pursuant to this section.

26 (B) An electric service provider operating pursuant to Section
27 394 shall make available to the ratemaking authority the
28 information required by this paragraph for each eligible
29 customer-generator that is their customer for each service area of
30 an electrical corporation, local publicly owned electrical utility,
31 or electrical cooperative, in which the eligible customer-generator
32 has net energy metering.

33 (C) The ratemaking authority shall develop a process for making
34 the information required by this paragraph available to electric
35 utilities, and for using that information to determine when, pursuant
36 to paragraphs (1) and (4), an electric utility is not obligated to
37 provide net energy metering to additional eligible
38 customer-generators in its service area.

39 (4) An electric utility is not obligated to provide net energy
40 metering to additional eligible customer-generators in its service

1 area when the combined total peak demand of all electricity used
2 by eligible customer-generators served by all the electric utilities
3 in that service area furnishing net energy metering to eligible
4 customer-generators exceeds 5 percent of the aggregate customer
5 peak demand of those electric utilities.

6 (5) By January 1, 2010, the commission, in consultation with
7 the Energy Commission, shall submit a report to the Governor and
8 the Legislature on the costs and benefits of net energy metering,
9 wind energy co-metering, and co-energy metering to participating
10 customers and nonparticipating customers and with options to
11 replace the economic costs and benefits of net energy metering,
12 wind energy co-metering, and co-energy metering with a
13 mechanism that more equitably balances the interests of
14 participating and nonparticipating customers, and that incorporates
15 the findings of the report on economic and environmental costs
16 and benefits of net metering required by subdivision (n).

17 (d) Every electric utility shall make all necessary forms and
18 contracts for net energy metering and net surplus electricity
19 compensation service available for download from the Internet.

20 (e) (1) Every electric utility shall ensure that requests for
21 establishment of net energy metering and net surplus electricity
22 compensation are processed in a time period not exceeding that
23 for similarly situated customers requesting new electric service,
24 but not to exceed 30 working days from the date it receives a
25 completed application form for net energy metering service or net
26 surplus electricity compensation, including a signed interconnection
27 agreement from an eligible customer-generator and the electric
28 inspection clearance from the governmental authority having
29 jurisdiction.

30 (2) Every electric utility shall ensure that requests for an
31 interconnection agreement from an eligible customer-generator
32 are processed in a time period not to exceed 30 working days from
33 the date it receives a completed application form from the eligible
34 customer-generator for an interconnection agreement.

35 (3) If an electric utility is unable to process a request within the
36 allowable timeframe pursuant to paragraph (1) or (2), it shall notify
37 the eligible customer-generator and the ratemaking authority of
38 the reason for its inability to process the request and the expected
39 completion date.

(f) (1) If a customer participates in direct transactions pursuant to paragraph (1) of subdivision (b) of Section 365, or Section 365.1, with an electric service provider that does not provide distribution service for the direct transactions, the electric utility that provides distribution service for the eligible customer-generator is not obligated to provide net energy metering or net surplus electricity compensation to the customer.

(2) If a customer participates in direct transactions pursuant to paragraph (1) of subdivision (b) of Section 365 with an electric service provider, and the customer is an eligible customer-generator, the electric utility that provides distribution service for the direct transactions may recover from the customer's electric service provider the incremental costs of metering and billing service related to net energy metering and net surplus electricity compensation in an amount set by the ratemaking authority.

(g) Except for the time-variant kilowatthour pricing portion of any tariff adopted by the commission pursuant to paragraph (4) of subdivision (a) of Section 2851, each net energy metering contract or tariff shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the contract or tariff to which the same customer would be assigned if the customer did not use ~~an eligible renewable energy resource~~ *a renewable electrical generation facility*, except that eligible customer-generators shall not be assessed standby charges on the electrical generating capacity or the kilowatthour production of ~~an eligible renewable energy resource~~ *a renewable electrical generation facility*. The charges for all retail rate components for eligible customer-generators shall be based exclusively on the customer-generator's net kilowatthour consumption over a 12-month period, without regard to the eligible customer-generator's choice as to from whom it purchases electricity that is not self-generated. Any new or additional demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or any other charge that would increase an eligible customer-generator's costs beyond those of other customers who are not eligible customer-generators in the rate class to which the eligible customer-generator would otherwise be assigned if the customer did not own, lease, rent, or otherwise operate ~~an eligible renewable energy resource~~ *a renewable*

1 *electrical generation facility* is contrary to the intent of this section,
2 and shall not form a part of net energy metering contracts or tariffs.

3 (h) For eligible customer-generators, the net energy metering
4 calculation shall be made by measuring the difference between
5 the electricity supplied to the eligible customer-generator and the
6 electricity generated by the eligible customer-generator and fed
7 back to the electric grid over a 12-month period. The following
8 rules shall apply to the annualized net metering calculation:

9 (1) The eligible residential or small commercial
10 customer-generator, at the end of each 12-month period following
11 the date of final interconnection of the eligible
12 customer-generator's system with an electric utility, and at each
13 anniversary date thereafter shall, be billed for electricity used
14 during that 12-month period. The electric utility shall determine
15 if the eligible residential or small commercial customer-generator
16 was a net consumer or a net surplus customer-generator during
17 that period.

18 (2) At the end of each 12-month period, where the electricity
19 supplied during the period by the electric utility exceeds the
20 electricity generated by the eligible residential or small commercial
21 customer-generator during that same period, the eligible residential
22 or small commercial customer-generator is a net electricity
23 consumer and the electric utility shall be owed compensation for
24 the eligible customer-generator's net kilowatthour consumption
25 over that 12-month period. The compensation owed for the eligible
26 residential or small commercial customer-generator's consumption
27 shall be calculated as follows:

28 (A) For all eligible customer-generators taking service under
29 contracts or tariffs employing "baseline" and "over baseline" rates,
30 any net monthly consumption of electricity shall be calculated
31 according to the terms of the contract or tariff to which the same
32 customer would be assigned to, or be eligible for, if the customer
33 was not an eligible customer-generator. If those same
34 customer-generators are net generators over a billing period, the
35 net kilowatthours generated shall be valued at the same price per
36 kilowatthour as the electric utility would charge for the baseline
37 quantity of electricity during that billing period, and if the number
38 of kilowatthours generated exceeds the baseline quantity, the excess
39 shall be valued at the same price per kilowatthour as the electric

1 utility would charge for electricity over the baseline quantity during
2 that billing period.

3 (B) For all eligible customer-generators taking service under
4 contracts or tariffs employing time-of-use rates, any net monthly
5 consumption of electricity shall be calculated according to the
6 terms of the contract or tariff to which the same customer would
7 be assigned, or be eligible for, if the customer was not an eligible
8 customer-generator. When those same customer-generators are
9 net generators during any discrete time-of-use period, the net
10 kilowatthours produced shall be valued at the same price per
11 kilowatthour as the electric utility would charge for retail
12 kilowatthour sales during that same time-of-use period. If the
13 eligible customer-generator's time-of-use electrical meter is unable
14 to measure the flow of electricity in two directions, paragraph (1)
15 of subdivision (c) shall apply.

16 (C) For all eligible residential and small commercial
17 customer-generators and for each billing period, the net balance
18 of moneys owed to the electric utility for net consumption of
19 electricity or credits owed to the eligible customer-generator for
20 net generation of electricity shall be carried forward as a monetary
21 value until the end of each 12-month period. For all eligible
22 commercial, industrial, and agricultural customer-generators, the
23 net balance of moneys owed shall be paid in accordance with the
24 electric utility's normal billing cycle, except that if the eligible
25 commercial, industrial, or agricultural customer-generator is a net
26 electricity producer over a normal billing cycle, any excess
27 kilowatthours generated during the billing cycle shall be carried
28 over to the following billing period as a monetary value, calculated
29 according to the procedures set forth in this section, and appear as
30 a credit on the eligible commercial, industrial, or agricultural
31 customer-generator's account, until the end of the annual period
32 when paragraph (3) shall apply.

33 (3) At the end of each 12-month period, where the electricity
34 generated by the eligible customer-generator during the 12-month
35 period exceeds the electricity supplied by the electric utility during
36 that same period, the eligible customer-generator is a net surplus
37 customer-generator and the electric utility, upon an affirmative
38 election by the net surplus customer-generator, shall either (A)
39 provide net surplus electricity compensation for any net surplus
40 electricity generated during the prior 12-month period, or (B) allow

1 the net surplus customer-generator to apply the net surplus
2 electricity as a credit for kilowatthours subsequently supplied by
3 the electric utility to the net surplus customer-generator. For an
4 eligible customer-generator that does not affirmatively elect to
5 receive service pursuant to net surplus electricity compensation,
6 the electric utility shall retain any excess kilowatthours generated
7 during the prior 12-month period. The eligible customer-generator
8 not affirmatively electing to receive service pursuant to net surplus
9 electricity compensation shall not be owed any compensation for
10 the net surplus electricity unless the electric utility enters into a
11 purchase agreement with the eligible customer-generator for those
12 excess kilowatthours. Every electric utility shall provide notice to
13 eligible customer-generators that they are eligible to receive net
14 surplus electricity compensation for net surplus electricity, that
15 they must elect to receive net surplus electricity compensation,
16 and that the 12-month period commences when the electric utility
17 receives the eligible customer-generator's election. For an electric
18 utility that is an electrical corporation or electrical cooperative,
19 the commission may adopt requirements for providing notice and
20 the manner by which eligible customer-generators may elect to
21 receive net surplus electricity compensation.

22 (4) (A) The ratemaking authority shall establish a net surplus
23 electricity compensation valuation to compensate the net surplus
24 customer-generator for the value of net surplus electricity generated
25 by the net surplus customer-generator. The commission shall
26 establish the valuation in a ratemaking proceeding. The ratemaking
27 authority for a local publicly owned electric utility shall establish
28 the valuation in a public proceeding. The net surplus electricity
29 compensation valuation shall be established so as to provide the
30 net surplus customer-generator just and reasonable compensation
31 for the value of net surplus electricity, while leaving other
32 ratepayers unaffected. The ratemaking authority shall determine
33 whether the compensation will include, where appropriate
34 justification exists, either or both of the following components:

35 (i) The value of the electricity itself.

36 (ii) The value of the renewable attributes of the electricity.

37 (B) In establishing the rate pursuant to subparagraph (A), the
38 ratemaking authority shall ensure that the rate does not result in a
39 shifting of costs between eligible customer-generators and other
40 bundled service customers.

1 (5) (A) Upon adoption of the net surplus electricity
2 compensation rate by the ratemaking authority, any renewable
3 energy credit, as defined in Section 399.12, for net surplus
4 electricity purchased by the electric utility shall belong to the
5 electric utility. Any renewable energy credit associated with
6 electricity generated by the eligible customer-generator that is
7 utilized by the eligible customer-generator shall remain the property
8 of the eligible customer-generator.

9 (B) Upon adoption of the net surplus electricity compensation
10 rate by the ratemaking authority, the net surplus electricity
11 purchased by the electric utility shall count toward the electric
12 utility's renewables portfolio standard annual procurement targets
13 for the purposes of paragraph (1) of subdivision (b) of Section
14 399.15, or for a local publicly owned electric utility, the renewables
15 portfolio standard annual procurement targets established pursuant
16 to Section 387.

17 (6) The electric utility shall provide every eligible residential
18 or small commercial customer-generator with net electricity
19 consumption and net surplus electricity generation information
20 with each regular bill. That information shall include the current
21 monetary balance owed the electric utility for net electricity
22 consumed, or the net surplus electricity generated, since the last
23 12-month period ended. Notwithstanding this subdivision, an
24 electric utility shall permit that customer to pay monthly for net
25 energy consumed.

26 (7) If an eligible residential or small commercial
27 customer-generator terminates the customer relationship with the
28 electric utility, the electric utility shall reconcile the eligible
29 customer-generator's consumption and production of electricity
30 during any part of a 12-month period following the last
31 reconciliation, according to the requirements set forth in this
32 subdivision, except that those requirements shall apply only to the
33 months since the most recent 12-month bill.

34 (8) If an electric service provider or electric utility providing
35 net energy metering to a residential or small commercial
36 customer-generator ceases providing that electric service to that
37 customer during any 12-month period, and the customer-generator
38 enters into a new net energy metering contract or tariff with a new
39 electric service provider or electric utility, the 12-month period,
40 with respect to that new electric service provider or electric utility,

1 shall commence on the date on which the new electric service
2 provider or electric utility first supplies electric service to the
3 customer-generator.

4 (i) Notwithstanding any other provisions of this section,
5 paragraphs (1), (2), and (3) shall apply to an eligible
6 customer-generator with a capacity of more than 10 kilowatts, but
7 not exceeding one megawatt, that receives electric service from a
8 local publicly owned electric utility that has elected to utilize a
9 co-energy metering program unless the local publicly owned
10 electric utility chooses to provide service for eligible
11 customer-generators with a capacity of more than 10 kilowatts in
12 accordance with subdivisions (g) and (h):

13 (1) The eligible customer-generator shall be required to utilize
14 a meter, or multiple meters, capable of separately measuring
15 electricity flow in both directions. All meters shall provide
16 time-of-use measurements of electricity flow, and the customer
17 shall take service on a time-of-use rate schedule. If the existing
18 meter of the eligible customer-generator is not a time-of-use meter
19 or is not capable of measuring total flow of electricity in both
20 directions, the eligible customer-generator shall be responsible for
21 all expenses involved in purchasing and installing a meter that is
22 both time-of-use and able to measure total electricity flow in both
23 directions. This subdivision shall not restrict the ability of an
24 eligible customer-generator to utilize any economic incentives
25 provided by a governmental agency or an electric utility to reduce
26 its costs for purchasing and installing a time-of-use meter.

27 (2) The consumption of electricity from the local publicly owned
28 electric utility shall result in a cost to the eligible
29 customer-generator to be priced in accordance with the standard
30 rate charged to the eligible customer-generator in accordance with
31 the rate structure to which the customer would be assigned if the
32 customer did not use ~~an eligible renewable energy resource~~ *a*
33 *renewable electrical generation facility*. The generation of
34 electricity provided to the local publicly owned electric utility shall
35 result in a credit to the eligible customer-generator and shall be
36 priced in accordance with the generation component, established
37 under the applicable structure to which the customer would be
38 assigned if the customer did not use ~~an eligible renewable energy~~
39 ~~resource~~ *a renewable electrical generation facility*.

(3) All costs and credits shall be shown on the eligible customer-generator's bill for each billing period. In any months in which the eligible customer-generator has been a net consumer of electricity calculated on the basis of value determined pursuant to paragraph (2), the customer-generator shall owe to the local publicly owned electric utility the balance of electricity costs and credits during that billing period. In any billing period in which the eligible customer-generator has been a net producer of electricity calculated on the basis of value determined pursuant to paragraph (2), the local publicly owned electric utility shall owe to the eligible customer-generator the balance of electricity costs and credits during that billing period. Any net credit to the eligible customer-generator of electricity costs may be carried forward to subsequent billing periods, provided that a local publicly owned electric utility may choose to carry the credit over as a kilowatthour credit consistent with the provisions of any applicable contract or tariff, including any differences attributable to the time of generation of the electricity. At the end of each 12-month period, the local publicly owned electric utility may reduce any net credit due to the eligible customer-generator to zero.

(j) ~~An eligible renewable energy resource~~ *A renewable electrical generation facility* used by an eligible customer-generator shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories, including Underwriters Laboratories Incorporated and, where applicable, rules of the commission regarding safety and reliability. A customer-generator whose ~~eligible renewable energy resource~~ *renewable electrical generation facility* meets those standards and rules shall not be required to install additional controls, perform or pay for additional tests, or purchase additional liability insurance.

(k) If the commission determines that there are cost or revenue obligations for an electrical corporation that may not be recovered from customer-generators acting pursuant to this section, those obligations shall remain within the customer class from which any shortfall occurred and shall not be shifted to any other customer class. Net energy metering and co-energy metering customers shall not be exempt from the public goods charges imposed pursuant to Article 7 (commencing with Section 381), Article 8 (commencing

1 with Section 385), or Article 15 (commencing with Section 399)
2 of Chapter 2.3 of Part 1. In its report to the Legislature, the
3 commission shall examine different methods to ensure that the
4 public goods charges remain nonbypassable.

5 (l) A net energy metering, co-energy metering, or wind energy
6 co-metering customer shall reimburse the Department of Water
7 Resources for all charges that would otherwise be imposed on the
8 customer by the commission to recover bond-related costs pursuant
9 to an agreement between the commission and the Department of
10 Water Resources pursuant to Section 80110 of the Water Code,
11 as well as the costs of the department equal to the share of the
12 department's estimated net unavoidable power purchase contract
13 costs attributable to the customer. The commission shall
14 incorporate the determination into an existing proceeding before
15 the commission, and shall ensure that the charges are
16 nonbypassable. Until the commission has made a determination
17 regarding the nonbypassable charges, net energy metering,
18 co-energy metering, and wind energy co-metering shall continue
19 under the same rules, procedures, terms, and conditions as were
20 applicable on December 31, 2002.

21 (m) In implementing the requirements of subdivisions (k) and
22 (l), an eligible customer-generator shall not be required to replace
23 its existing meter except as set forth in paragraph (1) of subdivision
24 (c), nor shall the electric utility require additional measurement of
25 usage beyond that which is necessary for customers in the same
26 rate class as the eligible customer-generator.

27 (n) It is the intent of the Legislature that the Treasurer
28 incorporate net energy metering, including net surplus electricity
29 compensation, co-energy metering, and wind energy co-metering
30 projects undertaken pursuant to this section as sustainable building
31 methods or distributive energy technologies for purposes of
32 evaluating low-income housing projects.

33 ~~(o) It is the intent of the Legislature that the commission not~~
34 ~~conduct a separate rulemaking prior to allowing all eligible~~
35 ~~customer-generators using any eligible renewable energy resource~~
36 ~~to participate in the standard contract or tariff made available~~
37 ~~pursuant to this section.~~

38 SEC. 2. Section 2827.9 of the Public Utilities Code is repealed.

39 SEC. 3. No reimbursement is required by this act pursuant to
40 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school
2 district will be incurred because this act creates a new crime or
3 infraction, eliminates a crime or infraction, or changes the penalty
4 for a crime or infraction, within the meaning of Section 17556 of
5 the Government Code, or changes the definition of a crime within
6 the meaning of Section 6 of Article XIII B of the California
7 Constitution.

O